

Final Terms dated 27 October 2015

AFFINITY WATER PROGRAMME FINANCE LIMITED

**Issue of Sub-Class A3 £40,000,000 1.548 per cent. RPI Linked Guaranteed Bonds due 2045
(the "Bonds")**

(to be consolidated and form a single series with the Sub-Class A3 £150,000,000 1.548 per cent. RPI
Linked Guaranteed Bonds due 2045 issued on 4 February 2013 (the "Original Bonds"))

under the £2,500,000,000 Guaranteed Bond Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated 18 January 2013 which are incorporated by reference in the Prospectus dated 1 September 2015 (the "**Prospectus**"). This document constitutes the Final Terms of the Bonds described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") and must be read in conjunction with the Prospectus, which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated 18 January 2013. Full information on the Programme Issuer, the Guarantors and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Prospectus.

The Prospectus has been published on the website of the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and a copy is available for viewing at the Specified Office of the Principal Paying Agent and at the registered office of the Programme Issuer, which is c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands, during usual business hours on any weekday apart from Saturdays, Sundays and public holidays, and copies may be obtained from Affinity Water Limited at the following address: Tamblin Way, Hatfield, Hertfordshire, AL10 9EZ.

Repayment of the principal and payment of any interest or premium in connection with the Bonds has not been guaranteed by any financial institution.

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| 1. | (i) | Issuer: | Affinity Water Programme Finance Limited |
| | (ii) | Guarantors: | Affinity Water Holdings Limited, Affinity Water Limited, Affinity Water Finance (2004) PLC |
| 2. | (i) | Series Number: | 1 |
| | (ii) | Sub-Class Number: | A3 |
| | (iii) | Sub-Class Number for the purposes of consolidation under Condition 1(c): | A3 - Tranche 2 |

(iv)	Date on which become consolidated under Condition 1(c):	The Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with the Original Bonds on the exchange of the Temporary Global Bond for the Permanent Global Bond, as referred to in paragraph 22 below
3.	Relevant Currency or Currencies:	Pounds Sterling ("£")
4.	Aggregate Nominal Amount:	
	(i) Series:	£520,000,000
	(ii) Sub-Class:	£190,000,000
	(iii) Tranche:	£40,000,000
5.	(i) Issue Price:	129.619 per cent. of the Aggregate Nominal Amount plus accrued interest of £268,182.12 in respect of the period from, and including, the Interest Commencement Date to, but excluding, the Issue Date
	(ii) Net proceeds:	£55,020,207.32 (including 150 days' accrued interest amounting to £268,182.12)
6.	(i) Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Bonds in definitive form will be issued with a denomination above £199,000
	(ii) Calculation Amount:	£1,000
7.	(i) Issue Date:	29 October 2015
	(ii) Interest Commencement Date (if different from the Issue Date):	1 June 2015
8.	Maturity Date:	1 June 2045
9.	Instalment Date:	Not Applicable
10.	Interest Basis:	Index Linked Interest
11.	Redemption/Payment Basis:	Redemption at par (as adjusted for indexation in accordance with Condition 7)
12.	Change of Interest or	Not Applicable

Redemption/Payment Basis:

13. Call Options: Not Applicable
14. (i) Status of the Guarantees: Senior
- (ii) Date approval for issuance of Bonds and Guarantees obtained: 30 September 2015 in the case of the issuance of the Bonds and 30 September 2015 in the case of the Guarantees
15. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Bond Provisions: Not Applicable
17. Floating Rate Bond Provisions: Not Applicable
18. Indexed Bond Provisions: Applicable
- (i) Index/Formula: UK Retail Price Index, as further described in the definition of "Index" or "Index Figure" in Condition 7(a)
- (ii) Base Index Figure: 245.72857
- (iii) Index Figure applicable: As determined in accordance with Condition 7; 3 months lag applies
- (iv) Interest Rate: Each Bond will bear interest on its Outstanding Principal Amount from the Interest Commencement Date at a rate of 1.548 per cent. per annum payable semi-annually in arrear on each Interest Payment Date and adjusted for indexation in accordance with Condition 7
- (v) Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Agent Bank): Agent Bank
- (vi) Provisions for determining Coupon where calculation by reference to index and/or formula is impossible or impracticable: Applicable. See Conditions 7(c) and 7(e)
- (vii) Interest Payment Dates: 1 June and 1 December in each year commencing on the First Interest Payment Date

(viii) First Interest Payment Date:	1 December 2015
(ix) Business Day Convention:	Following Business Day Convention
(x) Business Centres:	Not Applicable
(xi) Minimum Indexation Factor:	Not Applicable
(xii) Maximum Indexation Factor:	Not Applicable
(xiii) Limited Indexation Month(s):	Not Applicable
(xiv) Reference Gilt:	UK Treasury Index Linked 0.750 per cent. due November 2047
(xv) Day Count Fraction:	Actual/Actual ICMA
(xvi) Determination Date(s):	As set out in the Conditions

PROVISIONS RELATING TO REDEMPTION

19. Call Option:	Not Applicable
20. Final Redemption Amount:	£1,000 per Calculation Amount
21. Reference Gilt:	UK Treasury Index Linked 0.750 per cent. due November 2047

GENERAL PROVISIONS APPLICABLE TO THE BONDS

22. Form of Bonds:	Bearer
(i) If issued in Bearer form:	Temporary Global Bond exchangeable for a Permanent Global Bond which is exchangeable for Definitive Bearer Bonds in the limited circumstances specified in the Permanent Global Bond
(ii) If Registered Bonds:	Not Applicable
23. Relevant Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
24. Talons for future Coupons or Receipts to be attached to Definitive Bearer Bonds (and dates on which such Talons mature):	Yes
25. Details relating to Instalment Bonds:	Not Applicable
26. Redenomination, renominatisation and reconventioning provisions:	Not Applicable


DISTRIBUTION

- 27. If syndicated, names of Managers: Not Applicable
- 28. If non-syndicated, name of Dealer: Lloyds Bank plc
10 Gresham Street
London EC2V 7AE
United Kingdom
- 29. U.S. Selling Restrictions Reg S Compliance Category 2, TEFRA D


LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the details required for issue and admission to trading on the London Stock Exchange's Regulated Market and admission to the Official List of the UK Listing Authority of the Bonds described herein pursuant to the listing of the Programme for the issuance of up to £2,500,000,000 Bonds financing Affinity Water Limited.


Signed on behalf of the Programme Issuer:

By: 
Duly authorised **Duncan Bates**
Director

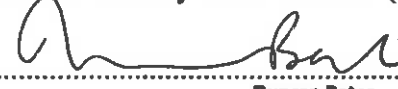
Signed on behalf of Affinity Water Limited:

By: 
Duly authorised **Duncan Bates**
Director

Signed on behalf of Affinity Water Holdings Limited:

By: 
Duly authorised **Duncan Bates**
Director

Signed on behalf of Affinity Water Finance (2004) PLC:

By: 
Duly authorised **Duncan Bates**
Director

PART B - OTHER INFORMATION

1. LISTING

- (i) Listing: Listed on the Official List of the UKLA
- The Original Bonds have been listed on the Official List of the UKLA
- (ii) Admission to trading: Application has been made for the Bonds to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from the Issue Date
- The Original Bonds have been admitted to trading on the Regulated Market of the London Stock Exchange
- (iii) Estimate of total expenses related to admission to trading: £1,750

2. RATINGS

- Ratings: The Bonds to be issued have been rated:
- Moody's Investors Service Limited: A3
- Standard & Poor's Credit Market Services Europe Limited: A-

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the offer

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: The proceeds from the issue of the Bonds will be on-lent to Affinity Water Limited under the terms of a Programme Issuer/Affinity Water Limited Loan Agreement to be applied by Affinity Water Limited for its general corporate purposes or used to repay or service Affinity Water Limited's Financial Indebtedness
- (ii) Estimated net proceeds: £55,020,207.32 (including 150 days' accrued interest amounting to £268,182.12)

(iii) Estimated total expenses: Not Applicable

5. YIELD

Indication of yield: 0.474 per cent. semi-annual

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield

6. PERFORMANCE OF RETAIL PRICE INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

(i) Name of underlying index: UK Retail Price Index (RPI) (all items) published by the Office for National Statistics

(ii) Information about the Index, its volatility and past and future performance can be obtained from: More information on RPI, including past and current performance and its volatility and fall back provisions in the event of a disruption in the publication of RPI, can be found at the following website: www.statistics.gov.uk

7. OPERATIONAL INFORMATION

ISIN: Until the Bonds are consolidated, become fungible with and form a single Series with the Original Bonds, the Bonds will have the temporary ISIN XS1271713783. After that, the Bonds will have the same ISIN as the Original Bonds, which is XS0883688516

Common Code: Until the Bonds are consolidated, become fungible with and form a single Series with the Original Bonds, the Bonds will have the temporary Common Code 127171378. After that, the Bonds will have the same Common Code as the Original Bonds, which is 088368851

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of initial Paying Agent(s): Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB

United Kingdom

Names and addresses of additional
Paying Agent(s) (if any):

Not Applicable